

# **Summary of the Title IV-E Child Welfare Waiver Demonstrations**

Prepared for:  
**Children's Bureau**  
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Public Law 103-432, authorized by Congress in 1994, introduced the concept of waivers to Federal child welfare programs. Conceived as a strategy for generating new knowledge about innovative and effective child welfare practices, waivers grant States flexibility in the use of Federal funds for alternative services and supports that promote safety and permanency for children in the child protection and foster care systems. The Adoption and Safe Families Act (ASFA) of 1997 extended and expanded the authority to use waivers for child welfare programs by authorizing the Secretary of Health and Human Services to approve up to 10 new demonstration projects each year.<sup>1</sup>

Through the waivers, States may spend Federal title IV-E funds for supports and services other than foster care maintenance payments that protect children from abuse and neglect, preserve families, and promote permanency. Some States have proposed discrete interventions focused on specific child welfare populations, whereas others are experimenting with the flexible use of funds to effect system-wide reforms. Waiver demonstrations must remain cost-neutral to the Federal government (i.e., States cannot receive more in Federal reimbursement than they would have received in the absence of the demonstration) and they must undergo rigorous program evaluation to determine their efficacy. Most States expect to realize title IV-E costs savings through their demonstration projects.

The Department of Health and Human Services typically approves child welfare waivers for up to five years, although at the discretion of the Secretary they may be extended beyond five years. Since 1996, 19 States have implemented 27 child welfare waiver demonstrations. These projects have examined innovative child welfare service strategies in several areas, including

- Assisted guardianship/kinship care;
- Capped IV-E allocations and flexible funding to local agencies;
- Managed care payment systems;
- Services for caregivers with substance use disorders;
- Intensive service options, including expedited reunification services;
- Enhanced training for child welfare staff;
- Post-adoption services; and
- Tribal administration of IV-E funds.

As of April 2006, 15 States have a total of 19 active title IV-E waiver agreements. Of these, 8 States are actively implementing 11 different waiver demonstrations. Demonstrations in five States (Illinois, Indiana, Ohio, Oregon, and North Carolina) are operating under five-year waiver extensions, while two demonstrations (in Montana and Illinois) are continuing under short-term waiver extensions. Seven States have received approval for but have not yet implemented eight demonstrations, including Arizona (approved June 2005), California (approved March 2006), Florida (approved March 2006), Iowa (two demonstrations approved in March 2006), Michigan (approved March 2006), Tennessee (approved October 2005), and Virginia (approved March 2006). Several States terminated their projects early due to challenges with project implementation or problems meeting the Federal cost neutrality requirement. Table 1 provides an overview of the types of demonstration projects and their current status.

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<sup>1</sup> Federal legislative authority to approve new title IV-E waivers expired on March 31, 2006.

**Table 1 - Title IV-E Waiver Demonstration Projects**

Type of Project	Description of Intervention	Status of Demonstrations By State					
		Active Demonstrations			Completed		Approved, Not Yet Implemented
		Under Original Waiver	Under Short- Term Ext.	Under 5-Year Ext.	Completed As Scheduled	Terminated Early	
<i>Assisted Guardianship/Kinship Permanence</i>	Relatives/other caregivers who assume legal custody of children are eligible for a monthly subsidy equal or comparable to monthly foster care payments.	MN (2010) <sup>2</sup> WI (2010)	MT (2007)	IL (2008) NC (2009) OR (2009)	DE (2002) MD (2004) NM (2005)		TN IA VA
<i>Capped IV-E Allocations and Flexibility to Local Agencies</i>	States give counties or other local entities flexibility in spending child welfare dollars for new services and supports in exchange for a capped allocation of title IV-E funds.			IN (2010) NC (2009) OH (2009) OR (2009)			CA FL
<i>Services for Caregivers with Substance Use Disorders</i>	States use title IV-E dollars to fund services and supports for caregivers with substance abuse disorders.		IL (2006)		DE (2002) NH (2005)	MD (2002)	
<i>Managed Care Payment Systems</i>	States test alternative managed care financing mechanisms to reduce child welfare costs while improving permanency, safety, and well-being outcomes for targeted families.				MI (2003)	CO (2003) CT (2002) MD (2002) WA (2003)	IA
<i>Intensive Service Options</i>	States increase the variety and intensity of services and supports to reduce out-of-home placement rates and improve other permanency and safety outcomes.				CA (2005)	MS (2004)	AZ MI
<i>Adoptions and Post-Permanency Services</i>	States strengthen existing or provide new post-adoption and post-permanency services and supports.				ME (2004)		
<i>Tribal Administration of IV-E Funds</i>	Tribes develop administrative and financial systems to administer title IV-E foster care programs independently and claim Federal reimbursement directly.				NM (2005)		
<i>Enhanced Training for Child Welfare Staff</i>	Training for public and private-sector child welfare professionals to improve permanency and safety outcomes for children and their families.					IL (2005)	

<sup>2</sup> Dates in parentheses denote completion date or expected completion date of the demonstration.

## **Part I: Overview of the Demonstrations**

### **A. Assisted Guardianship/Enhanced Permanence**

To date, nine States have completed or continue to implement assisted guardianship/enhanced permanency waiver demonstrations: Delaware, Illinois, Maryland, Minnesota, Montana, New Mexico, North Carolina, Oregon, and Wisconsin. Montana and New Mexico's demonstrations offered a guardianship option for children in either Tribal or State custody; procedures for processing the cases of children in Tribal custody are determined by appropriate Tribal government authorities. In two States – North Carolina and Oregon – assisted guardianship is one component of larger flexible funding waiver demonstrations. Delaware, Illinois, Maryland, North Carolina, and Oregon have completed their original five-year demonstration projects; three of these States (Illinois, North Carolina and Oregon) have received approval to extend their demonstrations for an additional five years. Wisconsin and Minnesota<sup>3</sup> began implementation of their guardianship demonstrations in 2005. Three States – Iowa, Tennessee, and Virginia – have received approval for but have not yet implemented new assisted guardianship demonstrations.

Table 2 summarizes the key features of current and past guardianship demonstrations. As noted in the table, the demonstrations vary in terms of their eligibility requirements for children and caregivers, guardianship subsidy rates, and availability of supplemental support services. For example, five States (Delaware, Minnesota, Montana, New Mexico, and Oregon) limited participation to title IV-E-eligible children, whereas demonstrations in the remaining States are open to both title IV-E-eligible and non-eligible children. In six States (Delaware, Minnesota, Montana, New Mexico, Tennessee, and Wisconsin), both relative and non-relative guardians must be licensed foster care providers, while demonstrations in other States are open to unlicensed kin. In addition, recently approved demonstrations differ from past projects in that they make older youth eligible for independent living and transitional services (e.g., education and training vouchers) funded through the Chafee Foster Care Independence Program (CFCIP).

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<sup>3</sup> Minnesota's demonstration differs from other guardianship projects in that it allows for the use of title IV-E funds to support guardianship subsidies (referred to as "relative custody assistance" in Minnesota) in the context of a project that tests the impact of a single benefit structure on permanency outcomes for children. Under the State's demonstration, a child who exits foster care to either adoption or relative custody continues to receive the same monthly subsidy and services as the child received while in foster care. In contrast, the State's traditional subsidy programs allow counties to negotiate separate relative custody or adoption payments with caregivers that are up to 50 percent lower than foster care maintenance payments.

**Table 2 - Key Features of Assisted Guardianship Waiver Demonstrations**

State Name and Start Date	Program Features and Services	Payment Amount	Eligibility Requirements				
			Length of Time with Prospective Guardian	Child Age	Caregiver Relationship	Child's IV-E Eligibility	Caregiver Licensing Status
<b>Delaware (7/1/96)</b>	<ul style="list-style-type: none"> <li>Family and child were eligible to receive case management, child health care, mental health care, and "post-adoption" services.</li> </ul>	Equal to monthly foster care payment	1 year	12+	Relatives or kin <sup>4</sup> and non-relatives	IV-E only	Licensed foster care providers only
<b>Illinois (5/1/97)</b>  <b>(Phase 2: 6/30/05)</b>	<ul style="list-style-type: none"> <li>Preliminary screenings and counseling; payment of one-time court costs and legal fees; periodic casework assistance; emergency stabilization; and other special services (e.g., physical therapy).</li> <li>Youth enrolled in "enhanced program" eligible for independent living and transitional services funded through CFCIP.</li> </ul>	Equal to monthly adoption assistance payment	Originally 2 years; changed to 1 year in 7/01	All ages if placed with relatives or kin; 12+ if placed with non-relative  "Enhanced" program targets youth 14+	Relatives or kin and non-relatives	IV-E and non-IV-E	Licensed (non-relatives) and unlicensed (relatives only)
<b>Iowa (approved 3/31/06)</b>	<ul style="list-style-type: none"> <li>One-time payment for costs and legal fees associated with establishing the guardianship.</li> <li>Children 16+ eligible for education and training vouchers funded through CFCIP.</li> </ul>	Equal to monthly foster care maintenance payment	6 months	All ages if placed with a relative; 12+ if placed with non-relative	Relatives and non-relatives	IV-E and non-IV-E	Licensed (non-relatives) and unlicensed (relatives only)
<b>Maryland (3/1/98)</b>	<ul style="list-style-type: none"> <li>Guardians given priority for receiving support services, including individual and family counseling, parent training, medical support, and mental health assessments.</li> </ul>	\$300 monthly subsidy	6 months	All ages	Relatives or kin only	IV-E and non-IV-E	Licensed and unlicensed
<b>Minnesota (11/16/05)</b>	<ul style="list-style-type: none"> <li>Additional services and supports similar to those available under the State's existing Adoption Assistance and Relative Custody Assistance programs.</li> </ul>	Equal to child's existing monthly foster care payment	6 months	All ages	Relatives or kin and non-relatives	IV-E only	Licensed foster care providers only

<sup>4</sup> "Kin" may include other persons related to a child by blood, marriage, or adoption, or a non-related individual who is an important family friend or with whom the child has resided or has had significant contact.

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			Length of Time with Prospective Guardian	Child Age	Caregiver Relationship	Child's IV-E Eligibility	Caregiver Licensing Status
<b>Montana (6/21/01)</b>	<ul style="list-style-type: none"> <li>Targets children in both State and Tribal custody.</li> <li>Families may access social and mental health services typically available to adoptive families.</li> </ul>	\$10 less than monthly foster care payment	6 months	Originally 12+; age requirement eliminated in year 3.	Relatives or kin and non-relatives	IV-E only	Licensed foster care providers only
<b>New Mexico (7/1/00)</b>	<ul style="list-style-type: none"> <li>Two separate components: (1) Native American children in Tribal custody; and (2) children in State custody.</li> </ul>	Equal to monthly adoption assistance payment	No minimum	All ages	Relatives or kin and non-relatives	IV-E only	Licensed foster care providers only
<b>North Carolina (7/1/97)</b>  <b>(Phase 2: 1/1/05)</b>	<ul style="list-style-type: none"> <li>No additional services specified.</li> </ul>	Originally less than monthly foster care payment; increased 10/02 to equal foster care payment	6 months	All ages	Relatives and non-relatives	IV-E and non-IV-E	Licensed (non-relatives) and unlicensed (relatives only)
<b>Oregon (7/1/97)</b>  <b>(Phase 2: 4/1/04)</b>	<ul style="list-style-type: none"> <li>One-time payment for costs and legal fees associated with establishing guardianship.</li> <li>Access to same post-permanency services as adoptive families.</li> </ul>	Equal to basic monthly foster care rate	6 months	All ages if placed with relative; 12+ if placed with non-relative	Relatives or kin and non-relatives	IV-E only	Licensed (non-relatives) and unlicensed (relatives only)
<b>Tennessee (approved 10/14/05)</b>	<ul style="list-style-type: none"> <li>Pre- and post-permanency services, including information and referral; family advocacy; children's activity groups, respite care; and recreational activities.</li> <li>Up to \$1,000 to cover legal fees and other non-recurring costs to finalize guardianship.</li> <li>Children ages 15+ eligible for education and training vouchers funded through CFCIP.</li> </ul>	Equal to the State's base monthly foster care subsidy	6 months	All ages	Relatives and non-relatives	IV-E and non-IV-E	Licensed foster care providers only

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<b>Virginia</b> (approved 3/31/06)	<ul style="list-style-type: none"> <li>One-time payment to cover costs and legal fees associated with establishing relative custody.</li> <li>Intensive short-term counseling; information and referral; crisis intervention; payment for special services (counseling, tutoring, or physical therapy).</li> <li>Children ages 16+ eligible for education and training vouchers funded through CFCIP.</li> </ul>	Equal to the child's monthly foster care maintenance payment	6 months	All ages	Relatives only	IV-E and non-IV-E	Licensed and unlicensed
<b>Wisconsin</b> (10/14/05)	<ul style="list-style-type: none"> <li>Assistance in applying for subsidies, referrals to community services, and access to post-guardianship resource centers.</li> <li>Children 15+ eligible for education and training vouchers, "room and board," and other transitional services funded through CFCIP.</li> </ul>	Equal to the child's monthly foster care maintenance payment	12 months	All ages	Relatives and non-relatives	IV-E and non-IV-E	Licensed foster care providers only

## **B. Flexible Funding and Capped IV-E Allocations**

Indiana, Ohio, Oregon, and North Carolina have all received five-year extensions of their original flexible funding waiver demonstrations. Each State's flexible funding demonstration attempts to establish a new array of services to prevent out-of-home placement or facilitate permanency with the expectation that the costs of these services will be offset by subsequent savings in foster care expenditures. In addition, two States – California and Florida – received approval in March 2006 to implement new flexible funding demonstrations.

- California's new flexible funding demonstration will provide the State with a capped allocation of title IV-E funds that it will then disburse in annual allotments to up to 20 counties. Participating counties will utilize their annual allotments of title IV-E funds to expand and strengthen child welfare policy, program, and practice innovations currently in development throughout the State. Examples of expanded programs that counties may implement include early intervention services; crisis intervention services; intensive child welfare services; and services that expedite and support permanency. California plans to implement its flexible funding demonstration no later than January 1, 2007.
- Under Florida's new demonstration, the State will receive a capped allocation of title IV-E funds to support community-based services and activities that promote child safety, prevent out-of-home placement, and expedite permanency. Florida will distribute its capped IV-E allocation either through payments for activities performed directly by the State or through contracts with local governmental entities or private and non-profit community-based Lead Agencies. The Lead Agencies will be responsible for coordinating and providing services, programs, and supports funded using title IV-E dollars. Examples of expanded services and supports include intensive early intervention services and one-time payments for goods and services that reduce short-term family stressors and help divert children from out-of-home placement (e.g., payments for housing, child care, etc.). Florida plans to implement its flexible funding demonstration no later than December 31, 2006.
- Indiana's demonstration focuses on building local capacity to provide community-based services and home-based placement alternatives to restrictive institutional placements. Implemented in all 92 counties in the State, the demonstration allocates a proportion of "flexible funding slots" to each participating county based on variables such as population size, poverty rates, and number of children in out-of-home placement. A sum of \$9,000 is assigned to each slot to provide any type of service – including foster care – that may facilitate permanency.
- During its five-year waiver extension, North Carolina continues to explore the use of flexible funds to improve child welfare outcomes in 17 original experimental counties while expanding the demonstration to 21 new counties. Each participating county receives a capped amount of IV-E funds that may be used flexibly to meet the needs of children and families in the child welfare system. Each county is allowed to develop its own local child welfare initiatives contingent on State approval. Under the State's original waiver demonstration, 16 counties used flexible funds for new contracts with outside service providers while nine counties used the funds to expand or implement new in-house services.

- Under its original waiver, 14 counties in Ohio experimented with a diverse array of managed care strategies to improve child welfare outcomes while controlling child welfare spending. The State provided participating counties with a capped amount of IV-E funds; each county then developed its own strategy for managing expenditures within this allotment. Strategies employed by counties have included establishing capitated or case rate contracts with private social service providers; developing utilization review strategies; and establishing quality assurance procedures. Ohio's five-year waiver extension places less emphasis on managed care and instead focuses on the use of capped allocations of IV-E funds to implement a more specific set of services, including Family Team Meetings; visitations between parents/caregivers and children in out-of-home placement; and services to facilitate and maintain kinship and adoptive placements.
- Under Oregon's original waiver, child welfare agencies in participating counties used flexible funds to provide three categories of services: (1) "innovative services," such as enhanced visitation, in-home parenting, and early childhood assessments; (2) expansion of existing services, including Family Decision Meetings (FDM), Family Mediation, and Family Resource Worker programs; and (3) emergency one-time payments to prevent foster care placement. Under its five-year waiver extension, the State is continuing its demonstration of the flexible use of title IV-E funds and is undertaking a special study of Family Decision Meetings (FDMs) targeted at families entering Oregon's child welfare system for the first time.

### **C. Services for Caregivers with Substance Use Disorders**

Four States have implemented substance abuse waiver demonstrations: Delaware, New Hampshire, Illinois, and Maryland. Delaware completed its demonstration project in December 2002 and submitted its final evaluation report in March 2002. New Hampshire began its project in 1999 and continued under a short-term waiver extension through November 2005. Maryland terminated its demonstration early in December 2002 due to various implementation problems. Illinois' demonstration continues under a short-term extension through September 2006 while the State explores options for revising or expanding the demonstration under a proposed five-year extension.

- Delaware's project operated primarily as a referral program, in which privately-contracted substance abuse counselors were co-located with child protection case managers in local CPS offices to engage in joint case planning and decision-making. The State established one of these teams or "treatment units" in a CPS office in each of Delaware's three counties. The primary responsibilities of the substance abuse counselor included linking clients to substance abuse treatment and providing support services to clients while they awaited treatment entry.
- Through New Hampshire's *Project First Step* waiver demonstration, licensed alcohol and drug abuse counselors (LADCs) work with child protection workers in a supportive capacity by using their clinical skills to provide training, assessment, treatment, and case management services. LADCs conduct an initial drug and alcohol assessment concurrently with CPS'

maltreatment investigation. Depending on a parent's level of cooperation, LADCs may provide direct outpatient treatment or facilitate treatment access by removing resource barriers and engaging in outreach on the parent's behalf. New Hampshire had originally planned to pursue a five-year extension of its waiver demonstration. However, after determining that it could not maintain cost neutrality with respect to the use of title IV-E funds, the State withdrew its application for a long-term waiver extension but continues to operate *Project First Step* using title IV-B funds.

- Illinois' demonstration focuses on treatment retention and recovery for caregivers referred to substance abuse treatment who already have a child in out-of-home placement. Illinois' model incorporates a proactive, intensive service model in which privately-contracted case management specialists, known as "Recovery Coaches," directly engage families throughout the treatment process and provide post-treatment support.
- Maryland planned to implement a collaborative case management model in which privately contracted chemical addiction counselors would work with child welfare case managers, parent aides, and volunteer mentors in "Family Support Service Teams" to assess the needs of family members and determine appropriate treatment options. As originally designed, caregivers participating in Maryland's demonstration could be assigned to one of three treatment modalities: (1) inpatient care for women and their children, (2) intermediate care (28-day residential care), and (3) intensive outpatient treatment. However, low enrollment and other problems prevented the State from fully implementing this demonstration.

#### **D. Managed Care Payment Systems**

Five States - Colorado, Connecticut, Maryland, Michigan, and Washington - tested alternative managed care financing strategies to reduce child welfare costs while improving permanency, safety, and well-being outcomes for targeted families. As indicated in Table 1, most States terminated their managed care demonstrations early because of problems with maintaining cost neutrality and other implementation problems. The State of Iowa has recently received approval for but has not yet implemented a new managed care demonstration.

- In Colorado, one "pilot" county negotiated a performance-based, risk-sharing contract with a consortium of children's service providers. The State's demonstration targeted children aged 10 and older who were deemed to be at high risk of aging out of the foster care system without a permanent family relationship or who were placed in high-cost residential care settings. Each month, the county paid the consortium a fixed rate for case coordination and residential care treatment services provided to each enrolled child. Colorado terminated its demonstration early in June 2003 due to State budget problems, low county participation, high staff turnover, and difficulties in developing a fixed payment rate.
- Connecticut contracted with lead social service agencies in two sites to provide a continuum of services for children ages 7 to 15 who were in group or residential care and had behavioral problems. The contractors provided case management, group care, and home-based, outpatient, and aftercare services. Contractors received a case rate for each referred child

based on an estimated service period of 12 months in out-of-home care and three months of aftercare. Connecticut discontinued its project after three years of operation because of low referral rates and comprehensive changes in the State's behavioral health system that eliminated the need for a title IV-E waiver.

- Iowa's new managed care demonstration, known as the *Safe at Home Program*, will provide individualized and expanded services to children with complex service needs who are in or at risk of entering congregate care placement settings. Contracted service providers will receive capped per case payments to provide enhanced case planning and case management services to eligible children and their families. As part of the overall case rate, contracted providers will receive performance-based incentive payments for achieving specific child welfare outcomes. Specific services provided by contracted service providers will include intensive case management; Family Team Meetings; and the development of Individualized Service Plans. In addition, funds available through the capped case rate may be used to offer children and families an expanded array of in-home and out-of-home services and supports, including individual counseling; individual, family, or group therapy; supervised peer group outings; enhanced educational supports; crisis support; respite care; and recreational activities. Iowa plans to implement its managed care demonstration no later than July 2007.
- Maryland contracted with a social service provider that was responsible for managing foster care services for children in out-of-home placement in the City of Baltimore. The State negotiated a standard case rate with the contracted provider for the 500 children referred to the demonstration. Foster care service providers assumed financial risks for the costs of care that exceeded 10 percent of this case rate. Maryland terminated its managed care project early in December 2002 because the fixed rate was insufficient to meet the lead agency's costs of care. Other implementation challenges included confusion regarding the role and responsibilities of the lead agency and the unfamiliarity of the agency with the needs and issues of the local foster care population.
- Michigan developed managed care contracts with providers in six counties to provide wraparound services for children in or at imminent risk of out-of-home placement. Initially, these contracts called for standard monthly payments of \$1,500 per child. Michigan renegotiated its contracts in October 2001 to pay a single case rate for each child served regardless of the duration of services. The State completed its demonstration in September 2003. Implementation challenges included low enrollment levels and problems with meeting the Federal cost neutrality requirement.
- Washington State's demonstration tested alternative managed care strategies in several participating counties. The State and each participating county contributed to a "funding pool" to pay for services delivered by a contracted service provider to children in the experimental group. If costs for a specific child exceeded the fixed rate, the county could use pooled funds to cover the cost overruns; however, the county assumed the risk for service costs that exceeded the total amount of money available in the pool. Washington terminated its demonstration project early in June 2003 because of low referral rates and problems with developing and managing a contract with the lead service provider.

## **E. Intensive Service Options**

Two States - California and Mississippi - implemented demonstration projects that sought to improve permanency and safety outcomes through an increased intensity and variety of child and family services. In addition, Arizona and Michigan have recently received approval to implement new intensive services demonstrations.

- Arizona's waiver demonstration will seek to expedite reunification for children placed in congregate and licensed foster care settings through several innovative child welfare service strategies. Demonstration participants will have access to intensive home-based interventions (e.g., individual or family therapy, family assessments, and intensive case management) and Child and Family Teams (CFTs) that support the family during the assessment, planning, intervention, and aftercare phases of the demonstration. In addition, flexible funds will be available to participating families to address basic needs that cannot be met through other resources. Examples of goods and services that may be purchased with flexible funds include basic household needs such as food, clothing, housing, and furniture; home repairs; financial support for a parent mentor; and counseling and therapeutic services. Arizona plans to begin implementation of its demonstration in April 2006.
- In California, seven counties developed intensive service programs to improve safety and permanency outcomes for children. Five counties (Alameda, Humboldt, Los Angeles, Sacramento, and San Luis Obispo) implemented Wraparound programs, while two counties (Fresno and Riverside) implemented Family Group Decision Making (FGDM). Since many human service programs in California (including child welfare) are county administered, each county developed a highly individualized approach to its intensive service intervention. California completed its intensive services demonstration in December 2005.
- Michigan's demonstration will expand eligibility and financial resources for the State's existing home- and community-based family preservation and reunification programs and expand the use of the State's existing Team Decision Meeting (TDM) case review and decision-making process. In addition, the State will implement an enhanced treatment fidelity and case management system to ensure that children and families are assessed for, referred to, and receive needed services in a consistent and appropriate manner. Michigan plans to implement its intensive services demonstration no later than July 2007.
- Mississippi's demonstration sought to test the effectiveness of a family-centered practice approach that gave participating counties broad latitude in using title IV-E funds to respond to the needs of child protection cases. The State provided families with a combination of existing and newly created services to prevent out-of-home placement, expedite permanency, reduce maltreatment risk, and improve the overall well-being of children and their adult caregivers. The State ended its waiver demonstration early in September 2004 because of ongoing problems with meeting the Federal cost neutrality requirement.

## **F. Adoption and Post-Permanency Services**

Maine received a waiver to provide services and supports that promote and strengthen adoption as a permanency option. Completed in December 2004, the State's demonstration consisted of two components: (1) an adoption competency training program for clinical social workers, case managers, psychologists, therapists, and other mental health professionals who work with adoptive families and children; and (2) post-adoption support services to families that chose to adopt. Post-adoption services included case management, parent education, information and referral, support groups, respite care, advocacy, crisis stabilization, and therapeutic services.

## **G. Tribal Administration of IV-E Funds**

Under the second component of its two-part waiver agreement, New Mexico implemented a unique demonstration that sought to foster enhanced Tribal independence and increase the efficiency and effectiveness of child welfare services delivered to Native American children. Under the terms of the demonstration, the State could enter into agreements with eligible Tribes and Pueblos to delegate the administration of title IV-E programs to Tribal government authorities. These agreements granted authority to the Tribes to develop foster care licensure standards, license foster homes, determine the IV-E eligibility of individual children, and receive direct Federal reimbursement for foster care maintenance, adoption assistance, subsidized guardianship, independent living, and related administrative expenses. During the course of the demonstration, only one Tribal authority – Pueblo of Zuni – chose to enter into a Title IV-E Agreement with the State. New Mexico completed this demonstration in December 2005.

## **H. Enhanced Training for Child Welfare Staff**

Illinois implemented an enhanced training demonstration targeted at new public and private-sector child welfare workers that sought to enhance their skills in assessing child and family needs, providing services, and making evidence-based permanency decisions. In addition to an enhanced six-week classroom-based training curriculum, private-sector child welfare workers were to receive one year of structured field support that included coaching, on-the-job shadowing, and “booster sessions” led by a team of case management trainers. Chronic problems with enrollment, staff turnover, and data collection culminated in the early termination of the demonstration in June 2005. One challenge faced by the State was the ongoing operational needs of private child welfare agencies, which prevented the release of many new employees to participate in enhanced trainings and depressed enrollment rates during the early months of the demonstration.

## Part II: Evaluation Designs

As part of their waiver agreements, all States are required to conduct rigorous evaluations of their demonstrations that include process and outcome components. Random assignment designs are employed whenever feasible, although alternative designs (e.g., comparison site, matched case comparison) have been approved and implemented. Table 3 provides an overview of the evaluation designs that have been implemented or proposed for the waiver demonstrations to date. Well over half (22, or 63 percent) of the demonstrations have used or are being evaluated using random assignment designs. Because some demonstrations involve systemic reforms that make random assignment infeasible, several States are using comparison site designs in which a county or other geographic region serves as the unit of analysis. Recently, time series designs in which historical changes in child welfare outcomes are tracked and analyzed over time have been approved for California and Florida.

Evaluations in three other States involve variations on a matched case comparison design. Indiana's evaluation, for example, matches each child receiving waiver-funded services with a corresponding non-waiver child based on demographic, geographic, and case-related variables. Arizona and Michigan are implementing modified matched case comparison designs in two distinct phases. In Arizona, CPS units in three CPS offices have been randomly selected to serve as experimental and comparison groups. Once the demonstration is implemented, children from existing cases in experimental CPS units will be matched with children from existing cases in comparison CPS units using selected matching variables. New cases entering the child welfare system will then be randomly assigned to experimental or comparison CPS units. Michigan's evaluation differs from Arizona's in that larger geographic regions (child welfare districts or counties) will be selected to serve as experimental and comparison sites. Children from active child welfare cases in the experimental sites will then be matched with children in the comparison sites using selected case-level variables.

**Table 3 - Evaluation Designs of the Title IV-E Waiver Demonstrations**

Demonstration Type	Research Design			
	Random Assignment	Comparison Sites	Matched Comparison Groups	Time Series Analysis
Assisted Guardianship/Kinship Permanence	IA, IL, MD, MT, NM, WI, MN, TN, VA	NM, NC, OR		
Capped IV-E Allocations/Flexibility to Local Agencies		NC, OH, OR	IN	CA, FL
Services for Caregivers with Substance Use Disorders	IL, MD, NH	DE		
Managed Care Payment Systems	CO, CT, IA, MD, MI, WA			
Intensive Services Options	CA, MS		AZ, MI	
Adoption Services	ME			
Tribal Administration of IV-E Funds		NM		
Enhanced Training for Child Welfare Staff	IL			

### **Part III: Status of the Evaluations**

The availability of evaluation findings from the States varies depending on the implementation status of their waiver demonstrations. Interim evaluation reports generally focus on project implementation and may contain preliminary outcome data, whereas final evaluation reports are expected to provide a comprehensive overview of all process and outcome findings. Table 4 summarizes the status of interim and final evaluation reports submitted by the States as of April 2006. To date, final evaluation reports are available for 25 demonstrations that have been completed or terminated early under their original five-year waivers; final reports are pending from Montana and New Hampshire. States are generally expected to submit a final evaluation report within six months of the completion or termination of a demonstration.

**Table 4 - Status of Evaluation Reports**

State	Demonstration Components	Report Received (checked if yes) or Date Expected			
		Original Waiver		5-Year Extension (where applicable)	
		Interim Report	Final Report	Interim Report	Final Report
Arizona	Intensive Services	Dec. 2008 (est.)	Oct. 2011 (est.)		
California	Intensive Services	✓	✓		
Colorado	Managed Care	N/A <sup>5</sup>	✓		
Connecticut	Managed Care	✓	✓		
Delaware	Assisted Guardianship/Substance Abuse Services	✓	✓		
Illinois	Assisted Guardianship	✓	✓	Dec. 2007	June 2009
	Substance Abuse Services	✓	✓		
	Enhanced Training	N/A	✓		
Indiana	Flexible Funding	✓	✓	March 2008	Jan. 2011
Maine	Adoption Services	✓	✓		
Maryland	Assisted Guardianship	✓	✓		
	Managed Care	✓	N/A		
	Substance Abuse Services	✓	N/A		
Michigan	Managed Care	N/A	✓		
Minnesota	Assisted Guardianship/Single Benefit Payment	May 2008	March 2011		
Mississippi	Intensive Services	N/A	✓		
Montana	Assisted Guardianship	N/A	Dec. 2006		
New Hampshire	Substance Abuse Services	✓	Completed, submission pending		
New Mexico	Guardianship/Tribal Administration of IV-E Funds	✓	✓		
North Carolina	Flexible Funding/Assisted Guardianship	✓	✓	June 2007	Dec. 2009
Ohio	Flexible Funding	✓	✓	August 2007	March 2010
Oregon	Flexible Funding/Assisted Guardianship	✓	✓	Oct. 2006	Sept. 2009

<sup>5</sup> Indicates that the State was exempt from submitting the report if it terminated early or made an alternative reporting arrangement with the Children's Bureau.  
*Summary of Child Welfare Waiver Demonstrations – April 2006*

**Table 4 - Status of Evaluation Reports**

State	Demonstration Components	Report Received (checked if yes) or Date Expected			
		Original Waiver		5-Year Extension (where applicable)	
		Interim Report	Final Report	Interim Report	Final Report
Tennessee	Assisted Guardianship	August 2009 (est.)	Dec. 2011 (est.)		
Washington	Managed Care	N/A	✓		
Wisconsin	Assisted Guardianship	May 2008	March 2011		

## Part IV: Overview of Evaluation Findings

As more States have submitted evaluation findings through their interim and final evaluation reports, a clearer picture has emerged regarding the effects of the waiver demonstrations on key child welfare outcomes. Critical research questions focus on the effectiveness of the waiver demonstrations in:

- Preventing out-of-home placement;
- Reducing the length of out-of-home placements and returning children home in a timely manner;
- Improving placement stability, i.e., reducing the number of times a child changes placement settings while in foster care;
- Increasing exits from foster care to permanency, including reunification, guardianship, and adoption;
- Reducing the likelihood of future maltreatment;
- Preventing re-entry into foster care; and
- Improving the well-being and functioning of children and their caregivers.

Evaluation findings to date suggest that the demonstrations have met with mixed success in effecting positive changes in these areas. Key child welfare outcomes from five major clusters of demonstrations – assisted guardianship, capped IV-E allocations/flexible funding, services for caregivers with substance use disorders, intensive service options, and post-adoption services – are summarized below.<sup>6</sup>

### Assisted Guardianship/Kinship Permanence

***Permanency Rates:*** Illinois found strong, statistically significant evidence that the availability of assisted guardianship increased net permanence, defined as exits from placement to reunification, adoption, or guardianship. By the end of the State's original demonstration, only 19.7 percent of experimental group children had aged out of or remained in foster care compared with 25.7 percent of control group children. In New Mexico, net permanence was somewhat higher in the experimental group (63.8 percent) than in the control group (59.2 percent) by the end of its demonstration, a difference of 4.6 percent. To date, no other States have found conclusive evidence regarding the effect of the availability of assisted guardianship on permanency rates.

***Placement Duration:*** Limited data from Maryland and New Mexico suggest that the availability of assisted guardianship may decrease the duration of out-of-home placements.

***Placement Stability:*** Available data from Illinois and Maryland indicate that experimental group children (i.e., those eligible to receive a guardianship subsidy) had comparable rates of

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<sup>6</sup> In addition to this summary, the Children's Bureau has published synthesis papers that review evaluation findings from three clusters of demonstrations: assisted guardianship, substance abuse, and flexible funding. Electronic copies of these synthesis papers are available at: [http://www.acf.hhs.gov/programs/cb/programs\\_fund/index.htm#child](http://www.acf.hhs.gov/programs/cb/programs_fund/index.htm#child).

placement stability – defined as the number of changes in placement settings over time – as control group children.

***Maltreatment Recurrence:*** Findings from Illinois suggest that children placed with guardians are at least as safe from repeat maltreatment as children in other permanent settings (adoption and reunification). No other States have reported findings regarding the effects of assisted guardianship on maltreatment recurrence.

***Foster Care Re-Entry:*** Illinois reported low statewide rates of guardianship disruptions and foster care re-entries. Of the 6,820 children statewide who entered subsidized guardianship between May 1997 and March 2002, only 237 (3.5 percent) experienced a disruption of the guardianship placement. Of these, only 117 children (49 percent) required a return to child welfare public agency custody. The State observed no differences between the experimental and control groups in the proportion of permanent placements that were disrupted (1.2 percent versus 1.1 percent, respectively). Oregon also reported a very low incidence of foster care re-entry, with only four of 133 children (3 percent) re-entering substitute care during the first year following exit to guardianship.

***Child Well-Being:*** Findings from Maryland, Montana, and Illinois suggest that children in guardianship fare as well as those in other permanency settings on several measures of well-being, including school performance, engagement in risky behaviors, and access to community resources.

## **Capped IV-E Allocations and Flexibility to Local Agencies**

***Foster Care Placement Rates:*** In all three States that studied placement avoidance (Indiana, North Carolina, and Oregon), the flexible funding demonstrations were associated with a significantly reduced likelihood of out-of-home placement. In Indiana, 45.6 percent of children assigned to the experimental group never entered placement compared with 38 percent of control group children. In Oregon, children in counties with access to services paid for using flexible funds were over three times more likely to remain home as children in comparison counties. North Carolina reported that the probability of entering out-of-home placement among children with a substantiated maltreatment report declined significantly more in experimental counties than in either comparison counties or other counties not participating in the demonstration.

***Permanency Rates:*** In Indiana, access to flexible funds had a significant positive effect on reunification rates, with nearly 77 percent of experimental group children in out-of-home placement reunified either with an original caregiver or a non-custodial parent compared with 66 percent of control group children. The flexible funding demonstrations in North Carolina, Ohio, and Oregon had no discernable effect on permanency rates.

***Placement Duration:*** Indiana observed a significant positive association between the availability of flexible funds and reduced length of stay in foster care placement. North Carolina and Ohio observed no statistically significant effects of their waivers on placement duration.

***Maltreatment Recurrence:*** Of the States that studied maltreatment recurrence (Indiana, Ohio, and Oregon), none observed changes in subsequent maltreatment rates in either direction as a result of their flexible funding demonstrations.

***Foster Care Re-Entry:*** Among the States that studied foster care re-entry (Indiana, North Carolina, and Ohio), access to services paid for using flexible funds had no significant effect in either direction on the likelihood of foster care re-entry.

***Child and Family Well-Being:*** Indiana's evaluation found a positive association between access to waiver-funded services and school attendance, with a higher percentage of school-age children assigned to the experimental group in school at case closure than was observed among children assigned to the matched comparison group.

## **Services for Caregivers with Substance Use Disorders**

***Treatment Participation and Completion:*** Delaware, Illinois, and New Hampshire collected data on the number of enrolled caregivers who remained in or successfully completed substance abuse treatment. Illinois reported significant positive effects from its demonstration on both treatment participation and completion rates. According to the State's final evaluation report, 71 percent of experimental group caregivers actively participated in treatment compared with 52 percent of control group caregivers, a statistically significant difference. In addition, 43 percent of experimental group caregivers completed at least one entire treatment episode compared with 23 percent of caregivers in the control group, a statistically significant difference. In New Hampshire, no statistically significant differences emerged between experimental and control group caregivers in substance abuse treatment participation, with 26 percent of experimental group caregivers receiving treatment compared with 24 percent of control group caregivers. Delaware experienced serious difficulties in retaining clients in treatment; by the end of that State's waiver demonstration, only 24 percent of closed experimental group cases were actively engaged in or had completed treatment.

***Foster Care Placement Rates:*** Both Delaware and New Hampshire studied the effects of their substance abuse demonstrations on foster care placement rates, defined as the proportion of in-home children enrolled in the demonstration who later entered out-of-home placement. Neither State found conclusive evidence that access to enhanced substance abuse services reduced rates of entry into foster care.

***Permanency Rates:*** Illinois and New Hampshire both examined the effects of their substance abuse demonstrations on permanency rates, defined as exits from foster care to reunification, guardianship, or adoption. Illinois reported moderately positive effects of its demonstration on reunification rates, with 15.5 percent of experimental group children reunified compared with 11.6 percent of control group children, a statistically significant difference. New Hampshire observed no statistically significant effects of its demonstration as a whole on reunification rates. However, when the probability of reunification was examined at the CPS district office level, the State found that experimental group children served out of one district office (Manchester) were significantly more likely to be reunified than control group children.

**Placement Duration:** Three States – Delaware, Illinois, and New Hampshire – studied the effects of their demonstrations on the duration of out-of-home placements. Delaware and Illinois’ demonstrations were associated with reduced time in foster care. In particular, findings from Illinois suggest that children from families with access to intensive substance abuse services spend considerably less time in foster care. According to the State’s final evaluation report, children in the experimental group were reunified in 522 days compared with 707 days for children in the control group, a statistically significant difference. In New Hampshire, the average length of placement per child did not differ significantly across the experimental and control groups.

**Placement Stability:** Two States - Illinois and New Hampshire – assessed the effects of their demonstrations on placement stability, defined as the average number of times a child in foster care changes placement settings. Neither State has found evidence that access to enhanced substance abuse services improved placement stability.

**Maltreatment Recurrence:** Two States - Illinois and New Hampshire – assessed the effects of their demonstrations on the likelihood of repeat abuse or neglect. Illinois’ evaluation uncovered a significant positive effect of its demonstration on subsequent maltreatment; overall, 25 percent of experimental group caregivers had a subsequent allegation of maltreatment compared with 30 percent of control group caregivers, a statistically significant difference. In addition, female caregivers in the experimental group were significantly less likely to be associated with a subsequent SEI<sup>7</sup> allegation (14 percent) than female caregivers in the control group (20 percent). In New Hampshire, the availability of enhanced substance abuse services resulted in a somewhat lower proportion of subsequent maltreatment substantiations for experimental group families (8.8 percent) than for control group families (11.4 percent), although this difference was not statistically significant.

**Child and Family Well-Being:** In its final evaluation report, New Hampshire described positive well-being outcomes for children and caregivers with access to enhanced substance abuse services. For example, experimental group children had equivalent or slightly better status on four out of six health outcomes, greater declines in problem behaviors, and were significantly less likely to repeat a grade than control group children. In addition, experimental group parents were somewhat less likely to receive Temporary Assistance for Needy Families (TANF), somewhat more likely to be employed full-time, and were significantly more likely to be enrolled in an educational program than parents in the control group. Although many of these findings lacked statistical significance, the pattern of somewhat improved outcomes across a number of domains suggests a positive trend for families receiving enhanced substance abuse services.

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<sup>7</sup> Substance-exposed infant.

## **Intensive Service Options**

***Foster Care Placement Rates:*** Mississippi reported that experimental group children who had not been removed from their homes prior to the start of the demonstration were less likely to be removed and placed in foster care than control group children. Overall, 9.1 percent of experimental group children without a prior placement were removed from their homes compared to 14.1 percent of control children, a statistically significant difference.

***Permanency Rates:*** Among all children who were in or entered out-of-home placement during Mississippi's demonstration, 22.4 percent of those in the experimental group and 19.6 percent of those in the control group were reunified with their families of origin. Although not statistically significant, this difference was in the hypothesized direction. In California's demonstration, no statistically significant differences emerged between the experimental and control groups in the likelihood of reunification.

***Placement Duration:*** In Mississippi's demonstration, the mean number of days spent in non-emergency out-of-home placement was nearly identical for experimental group children (147 days) and control group children (145 days). However, when this analysis was restricted only to children who entered foster care following assignment to the demonstration, the mean number of days in placement was less for experimental group children (41 days) than for control group children (56 days). California found no statistically significant differences between experimental and control group children with respect to the average duration of out-of-home placements.

***Maltreatment Recurrence:*** Experimental group children participating in Mississippi's demonstration were significantly less likely to have a new maltreatment report following assignment to the demonstration, with 14.5 percent of experimental group children experiencing a new maltreatment report compared to 19.7 percent of control group children. California's evaluation uncovered no statistically significant differences in maltreatment recurrence between the experimental and control groups in the two counties (Fresno and Riverside) that tracked maltreatment rates.

## **Post-Adoption Services**

***Adoption Disruptions and Dissolutions:*** Maine observed no statistically significant differences between the experimental and control groups in either adoption disruptions or dissolutions.

***Child and Family Well-Being:*** Maine's evaluators used the *Child Behavior Checklist* to compare differences between the experimental and control groups in child behavior and family functioning. Overall, no statistically significant differences were found between the experimental and control groups on most child-level and family-level outcomes. However, a statistically significant difference in favor of the experimental group did emerge on the "Total Problem" subscale for children, with experimental group children having significantly lower average "Total Problem" scores than control group children. In addition, a higher, statistically significant percentage of parents in the experimental group reported that they trusted their child compared with parents in the control group.

Outcome findings reported in this summary remain preliminary in nature. As more final evaluation reports are completed, and as several States continue or expand implementation of their demonstrations under long-term waiver extensions, more conclusive evidence regarding the success of the title IV-E waiver demonstrations in promoting positive changes in key child welfare outcomes may come to light.